



30 Arbor St. Suite 210
Hartford, CT 06106
(860) 523-1699
<http://connecticutworkingfamilies.org/>

February 28, 2013

To the Co-Chairs and members of the Commerce Committee:

Testimony in OPPOSITION to:

- **SB 942 AAC Caps on State Financial Assistance for Business Projects and the Urban and Industrial Site Tax Credit**
- **HB 6468 AA Repealing High Performance Work Organization Programs and Threshold Project Requirements in the Provision of Financial Assistance by the Department of Economic and Community Development and Connecticut Innovations, Incorporated**

Submitted by Lindsay Farrell, Executive Director

Good afternoon, and thank you to the co-chairs for the opportunity to testify today on these bills.

Working Families strongly opposes these two bills because we need to do more to strengthen transparency and accountability measures on our corporate welfare dollars, not weaken them.

Despite difficult budgetary times, the state of Connecticut has been incredibly generous to corporations in the past few years:

- The *New York Times* reported in December, 2012 that the State of Connecticut spends at least \$860 million per year on incentives¹.
- The DECD invested more than \$358 million according to their 2011-12 report. For 11,829 jobs being created or just retained, that works out to be about \$30,274 per job.
- Sometimes the state gets nothing for it's money. World Wrestling Entertainment has received \$36.7 million in Connecticut film tax credits in 20 separate deals since 2006,² and still went through a large-scale layoff during that time.

A general lack of transparency and accountability has resulted in anemic performance through these programs and giveaways, even as we spend more and more. In a 2005 study, this legislature's Finance Committee commissioned a study which found that 14 of the state's 24 tax credit programs actually resulted in job losses.

These two bills are moving in the wrong direction. SB 942 would only make it easier to give away larger sums of money to corporations, as if \$20 million deals need to be so frequent that we

¹ <http://www.nytimes.com/interactive/2012/12/01/us/government-incentives.html#CT>

² *Hartford Courant*, October 19 2012

http://articles.courant.com/2012-10-19/business/hc-haar-ww-e-tax-credits-20121019_1_film-tax-credits-ww-e-linda-mcmahon

cannot manage the hassle of letting this legislature weigh the benefits and costs of such programs. HB 6468 takes away one of the only checks we have on public dollars going to private corporations in a responsible way: namely that a corporation's impact on the state in regards to wage and benefit standards, innovation, quality of products and services, dedication to a trained and engaged workforce, etc. there need to be basic standards placed on our money when we hand it over to companies.

We all want to stimulate the economy to create jobs. However, there is not a record of economic development performance in this state that justifies a relaxation of the standards for doling out these funds. It is worth it to analyze the actual value of these programs. It makes sense to ask questions about whether tax dollars are better spent on a company that prioritized its workforce and compensates it fairly, or one that perpetuates poverty and slow economic growth.

Please reject these bills. Thank you.